



February 28, 2013

VIA ELECTRONIC MAIL

Requester: Tom Nash
Email: 2916-88823514@requests.muckrock.com

Re: Public Records Request

Dear Mr. Nash:

This letter responds to your *Public Records Request* received via electronic mail on February 21, 2013 to the Mayor's Office, in which you seek the following documents:

City/Board of Supervisor emails, memoranda, etc. containing "Twitter" and "tax" sent or issued between November 2010 - May 2011

Response:

Please find responsive documents attached.

If you have any questions regarding your request, please do not hesitate to contact the Mayor's Office at mayorsunshinerequests@sfgov.org.

Sincerely,

Kirsten Macaulay
Mayor's Office of Communications



Summary of Central Market/Tenderloin Payroll Tax Exclusion

Supervisor Jane Kim along with Board of Supervisors President David Chiu and Mayor Edwin M. Lee announced a proposed payroll tax exclusion for new jobs to Central Market and the Tenderloin as part of a larger effort to revitalize the area. Existing businesses in the Tenderloin and on Market Street from approximately Fifth to Eleventh (see map below) – and any who relocate to the area – would be exempt from additional payroll tax as they add jobs during any six years in an eight-year period. For-profit businesses in San Francisco with payrolls of over \$250,000 currently pay a tax of 1.5%.

The incentive will be a tool offered by the City in its ongoing efforts to revitalize Central Market and the Tenderloin. Already, the City is offering low-interest loans for businesses and arts organizations expanding in the area, is considering the establishment of a Redevelopment Area, and is undertaking a major effort to redesign Market Street. The payroll tax exclusion will help attract companies that can occupy the substantial amounts of storefront and office vacancy in the area, in turn bringing foot traffic and positive activity that will catalyze more retail, services and employers expanding in this underserved area. Among the companies seriously considering Central Market and interested in the tax exemption are Black Rock LLC (Burning Man) and Twitter. Both companies are already crafting substantial community engagement plans for the neighborhood.

Eligibility

“Net new” employees eligible for this tax exemption are those who are newly hired employees by an existing business operating in the Central Market/Tenderloin or newly hired employees by any business that relocates to the Central Market/Tenderloin. Note that employees hired prior to the effective date of the program are not eligible.

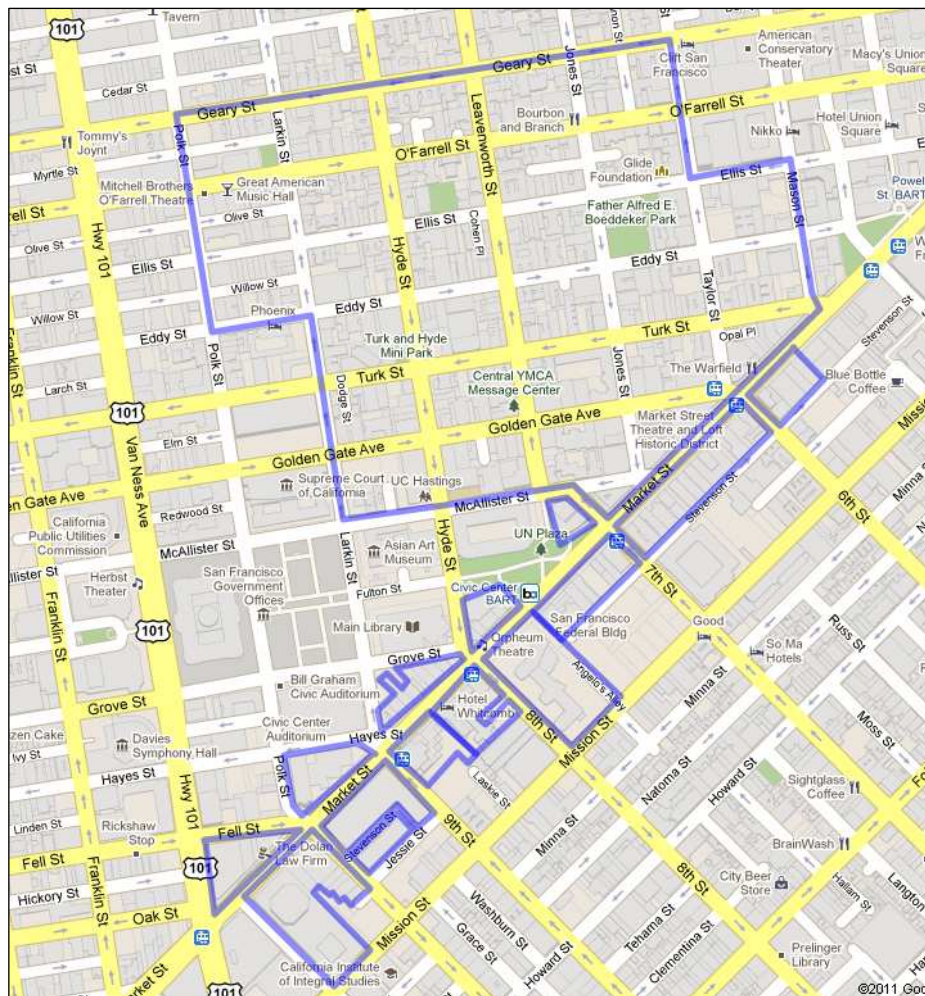
“Qualified employees” are defined as employees who spend at least 90% of work time on activities directly related to the conduct of a trade or business located within the Central Market/Tenderloin area and perform at least 90% of work time within the area boundaries.

Eligible businesses will be asked to complete and submit an initial application to the Office of Economic and Workforce Development (OEWD) for review and evaluation. This application shall include participation in the City’s First Source Hiring Program.

Rationale

- **Highest storefront vacancy rate** in the City: 31% on Central Market alone (as opposed to 24% in Bayview). Over 1.5 million square feet of existing or soon-to-be-vacant space in large buildings.
- Program will be a strong **tool for job creation and business development** in a low-income area.
- Proposal to exempt only new jobs includes **no reduction in current revenues** to the City.
- Large employers targeted by tax incentive will **create new tax revenue for the City**. OEWD estimates that Twitter alone may grow to more than 2,600 jobs in 6 years at its new facility on Central Market. Over that period OEWD estimates that Twitter’s cumulative direct tax revenue for the City could total \$9.7 million. This includes \$465,000 in property taxes in the first year from the reassessment of the building improvements. In the 7th year, when the payroll tax exclusion would end, Twitter could generate more than \$4 million in payroll tax alone.

- New large employers will also spin off ***“multiplier effects”***, i.e. retail, services and entertainment for area workers. OEWD estimates that Twitter’s location on Central Market would support the creation of an additional 1,800 San Francisco “spin off” retail and services jobs in the first year and grow to 3,700 jobs in 6 years. The creation of these spinout jobs would themselves create another \$1.6 million in tax revenue for the City in the first year.
- Experience shows that a high-profile tech company’s location decision will catalyze ***similar companies to seek nearby locations***. This will create additional jobs and tax revenue. OEWD estimates that filling just 25% of the 1.5 million sq/ft of the vacant office space would bring more than 1,500 jobs to Central Market.
- Tax exemption will send a ***signal to non-eligible companies***, like nonprofit arts organizations and small businesses, that the City is serious about economic revitalization of the area. This in itself will facilitate business development.



For More Information Contact: Amy Cohen, Office of Economic and Workforce Development, 415-554-6649/amy.b.cohen@sfgov.org; Judson True, Supervisor David Chiu, 415-554-7450/judson.true@sfgov.org; or April Veneracion, Supervisor Jane Kim, 415-554-7970/april.veneracion@sfgov.org

LEGISLATIVE DIGEST

[Business and Tax Regulations Code - Payroll Expense Tax Exclusion in Central Market Street and Tenderloin Area]

Ordinance amending Article 12-A of the Business and Tax Regulations Code by adding Section 906.3 to establish a payroll expense tax exclusion for businesses located in the Central Market Street and Tenderloin Area.

Existing Law

San Francisco imposes a payroll expense tax on business entities based on the compensation they pay to employees and others for work or services performed in San Francisco. (Business and Tax Regulations Code Section 901 et seq.) The tax rate is 1.5% of taxable payroll expense. This tax is determined each year based on the payroll expenses of the entity.

Amendments to Current Law

The proposed amendment would amend Section 906 to establish a payroll expense tax exclusion for qualified employees employed by businesses in the Central Market Street and Tenderloin Area. For a business located in the Central Market Street and Tenderloin Area, its payroll expense tax liability shall be the lesser of its payroll expense tax liability for 2010 or the year it is claiming the exemption, including zero. For a business that moves to the Central Market Street and Tenderloin Area from another part of San Francisco, its payroll expense tax liability shall be the lesser of its payroll expense tax liability for the tax year prior to its move to the Central Market Street and Tenderloin Area or the year it is claiming the exclusion, including zero. A business that moves to San Francisco, and specifically to the Central Market Street and Tenderloin Area, shall pay the lesser of the amount it paid in payroll expense tax for its initial year in San Francisco and its payroll expense tax liability for the year it is claiming the exclusion, including zero. The exclusion will be available for a period of 8 years from the effective date of this legislation and employers may avail themselves of the exclusion for 6 years. After the legislation expires, no unused portions of the exclusion may be claimed.

Background Information

Under Business and Tax Regulations Code Section 901 et seq., businesses pay a payroll expense tax based on the compensation paid to employees and others for work or services rendered in San Francisco. (Section 901.1) This proposed amendment would amend Section 906 to establish a payroll expense tax exclusion for the purpose of encouraging entities to retain and hire employees to work in the Central Market Street and Tenderloin Area.

[Business and Tax Regulations Code - Payroll Expense Tax Exclusion in Central Market Street and Tenderloin Area]

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NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors hereby finds that:

(a) In January of 2010, Mayor Gavin Newsom announced the Central Market Partnership – a public/private initiative to renew and coordinate efforts to revitalize the Central Market neighborhood (from approximately Fifth Street to Tenth Street) with a focus on cultivating an eclectic, community-serving arts district.

(b) As part of the Central Market Partnership, the City has developed the following tools to assist with this effort:

(1) An \$11.5 million loan fund for low-interest loans to small businesses in the area;

(2) Coordinated incentives, including a renewed effort to generate tax increment financing through a Redevelopment Area;

(3) The Better Market Street initiative, which will overhaul the streetscape and repave the corridor in 2014;

(4) Technical assistance and limited funding for arts groups looking to relocate to Central Market;

1 (5) An NEA grant to undertake visible arts-oriented activities that will
2 generate positive foot traffic; and

3 (6) Partnerships with recently established Community Benefit Districts and
4 other Community Benefit Organizations whose focus is on improving the neighborhood as
5 well as an Interagency Working Group to target City attention and resources to the
6 neighborhood.

7 (c) Therefore, attracting businesses to the Central Market Street neighborhood is a
8 key component in the revitalization of the area.

9 Section 2. The San Francisco Business and Tax Regulations Code is hereby amended
10 by adding Section 906.3, to read as follows:

11 **SEC. 906.3. CENTRAL MARKET STREET AND TENDERLOIN AREA PAYROLL**
12 **EXPENSE TAX EXCLUSION.**

13 (a) The amount of payroll expense tax due under this Section shall be:

14 (1) For any person maintaining a fixed place of business in the Central Market
15 Street and Tenderloin Area on the effective date of this ordinance, such person shall owe the lesser of
16 that person's payroll expense tax liability for 2010 or that person's payroll expense tax liability for the
17 year they are claiming the exclusion, including zero;

18 (2) For any person who commences to maintain a fixed place of business in the
19 Central Market Street and Tenderloin Area after the effective date of this legislation, such person shall
20 owe the lesser of that person's payroll expense tax liability for the tax year prior to the date the person
21 commenced to maintain a fixed place of business in the Central Market Street and Tenderloin Area or
22 that person's payroll expense tax liability for the year they are claiming the exclusion, including zero;
23 or

24 (3) For any person who commences to maintain a fixed place of business in the
25 Central Market Street and Tenderloin Area after relocating to San Francisco, such person shall owe

1 the lesser of the amount that person paid in payroll expense tax for that person's initial year in
2 San Francisco and that person's payroll expense tax liability for the year they are claiming the
3 exclusion, including zero.

4 (b) For purposes of this Section, the following terms shall have the meanings set forth
5 below:

6 (1) "Central Market Street and Tenderloin Area" means the area located in
7 downtown San Francisco, generally including: parcels fronting the south side of Market Street from
8 Eleventh Street to Sixth Street; a portion of the parcels fronting the south side of Market Street from
9 Sixth Street to Fifth Street (odd numbered addresses from 999 to 933 Market Street); parcels fronting
10 the north side of Market Street from Van Ness Avenue to Eighth Street; 875 Stevenson Street; and
11 parcels in the area bordered by: Geary Street, from Polk Street to Taylor Street (south side only);
12 Taylor Street, from Geary Street to Ellis Street (west side only); Ellis Street, from Taylor Street to
13 Mason Street (south side only); Mason Street, from Ellis Street to Market Street (west side only);
14 Market Street, from Mason Street to Charles J. Brenham Place (north side only); Charles J. Brenham
15 Place, from Market Street to McAllister Street (east side only); McAllister Street, from Charles J.
16 Brenham Place to Larkin Street (north side only); Larkin Street, from McAllister Street to Eddy Street
17 (east side only); Eddy Street, from Larkin Street to Polk Street (north side only); and Polk Street, from
18 Eddy Street to Geary Street (east side only). The exclusion applies exclusively to the following
19 Assessor's Lots: the entirety of Blocks 0317, 0318, 0319, 0320, 0321, 0322, 0322A, 0323, 0324, 0331,
20 0332, 0333, 0334, 0335, 0336, 0337, 0338, 0339, 0340, 0342, 0343, 0344, 0345, 0346, 0347, 0348,
21 0349, 0350, 0716, 0717, 0740, and 0835; Block 0813, Lots 7, 8, 9 and 10; Block 3701, Lots 50, 59 and
22 65; Block 3702, Lots 1, 44, 44A, 45, 46, 47, 48, 48A, 53 and 54; Block 3703, Lots 1, 56, 58, 59, 60, 61,
23 62, 63, 64, 65, 66, 67, 68, 70, 74, 75, 76, 78 and 88; Block 3704, Lots 70, 69, 68, 67 and 78; Block
24 3507, Lots 39, 40 and 41; Block 3508, Lots 1 and 39; Block 0355, Lots 3, 4, 5, 6, 7, 8, 9, 10 and 15;
25 and Block 0351, Lots 1, 22, 39, 41, 46, 47, 49 and 51.

1 (2) An employee is a "qualified employee" for purposes of computing this exclusion
2 if the employee spends at least 90% of work time on activities directly related to the conduct of a trade
3 or business located within the Central Market Street and Tenderloin Area and performs at least 90% of
4 work time within the boundaries of the Central Market Street and Tenderloin Area. For purposes of
5 this Section, outside independent contractors shall not be considered employees of the business.

6 (c) In order to be eligible for the payroll expense tax exclusion authorized under this
7 Section, persons wishing to claim the exclusion must:

8 (1) Complete and submit an initial application to the Office of Economic and
9 Workforce Development for review and evaluation. The Office of Economic and Workforce
10 Development will use this application to verify that applicants claiming the payroll expense tax
11 exclusion under this Section meet the eligibility requirements outlined in subsections (b)(1) and (b)(2)
12 of this Section. The Office of Economic and Workforce Development shall have the authority to
13 prescribe the form of the application and, consistent with this ordinance, the rules and regulations
14 regarding eligibility for the Central Market Street and Tenderloin Area payroll expense tax exclusion,
15 which shall include participation in the City's First Source Hiring Program as defined in Section 83.4
16 of the Administrative Code.

17 (2) File an annual affidavit with the Office of Economic and Workforce Development
18 affirming that they continue to meet the eligibility criteria as determined by the Office of Economic and
19 Workforce Development. The affidavit must be filed with the Office of Economic and Workforce
20 Development on or before January 31 of each year subsequent to the Office of Economic and
21 Workforce Development's initial approval of the application.

22 (3) Maintain a reasonable method of documentation that the Tax Collector can
23 review or verify objectively that tracks employees whose compensation qualifies for the Central Market
24 Street and Tenderloin Area exclusion, and provide such documentation to the Tax Collector upon
25 request.

1 (4) File an annual Payroll Expense Tax Return with the Tax Collector regardless of
2 the amount of tax liability, if any, shown on the return after claiming the exclusion provided for in this
3 Section.

4 (d) The Office of Economic and Workforce Development shall:

5 (1) No later than the effective date of this ordinance, adopt rules, regulations and
6 forms regarding eligibility and the application process for the Central Market Street and Tenderloin
7 Area payroll expense tax exclusion. The Office of Economic and Workforce Development may amend
8 such rules, regulations and forms from time to time as necessary.

9 (2) Review all applications for completeness and upon approval, issue a certificate
10 of eligibility to the applicant. The decision of the Office of Economic and Workforce Development
11 regarding eligibility for the exclusion shall be final.

12 (3) Provide the Tax Collector with a list of persons eligible to claim the tax
13 exclusion authorized under this Section for the preceding tax year by March 1 of each year.

14 (e) The Central Market Street and Tenderloin Area exclusion authorized under this Section
15 shall be available to and may be taken by each person for each tax year that person holds a valid
16 certificate of eligibility for a period not to exceed six years from the effective date of this ordinance or
17 the commencement of the person's business in the Central Market Street and Tenderloin Area,
18 whichever is later. The date the Tax Collector first received the person's application for a business
19 registration certificate for the person's Central Market Street and Tenderloin Area business shall be
20 presumed to be the date of commencement of such business unless the person establishes a different
21 commencement date to the satisfaction of the Tax Collector.

22 (f) The Central Market Street and Tenderloin Area exclusion authorized under this Section
23 shall expire on the eighth anniversary date of the effective date of this Section. A person may not use or
24 claim any unused portion of the Central Market Street and Tenderloin Area exclusion after the
25 expiration date of this Section. Unless exempted under Sections 906 of this Article, every person

1 engaging in a business in the Central Market Street and Tenderloin Area in the City shall pay the tax
2 imposed under this Article on the full amount of the person's payroll expense attributable to the City
3 from and after the expiration of this Section.

4 (g) If a person's calculated liability for the Payroll Expense Tax does not exceed the ceiling
5 specified in Section 905-A for the tax year after applying the Central Market Street and Tenderloin
6 Area exclusion under this Section, the person shall be exempt from payment of the Payroll Expense Tax
7 for that tax year as provided in Section 905-A.

8 (h) The Tax Collector shall submit an annual report to the Board of Supervisors for each
9 year for which the Central Market Street and Tenderloin Area exclusion authorized under this Section
10 is available that sets forth aggregate information on the dollar value of the Central Market Street and
11 Tenderloin Area exclusions taken each year, the number of businesses taking the exclusion and the
12 change in the number of businesses located in the Central Market Street and Tenderloin Area of the
13 City.

14 (i) The Assessor-Recorder shall submit an annual report to the Board of Supervisors for
15 each year for which the Central Market Street and Tenderloin Area exclusion authorized under this
16 Section is available that sets forth any identifiable increases in property value resulting from
17 businesses' location, relocation or expansion to or within the Central Market Street and Tenderloin
18 Area.

19 (j) The Controller, not later than after three years after the effective date of this ordinance,
20 shall perform an assessment and review of the effect of the Central Market Street and Tenderloin Area
21 payroll expense tax exclusion on the Central Market Street and Tenderloin Area. Based on such
22 assessment and review the Controller shall prepare and submit an analysis to the Board of Supervisors.
23 The analysis shall be based on factors that the Controller deems relevant, and may include, but shall
24 not be limited to, data contained in the annual reports to the Board of Supervisors as required by
25 subsections (h) and (i) of this Section.

1 (k) The Central Market Street and Tenderloin Area payroll expense tax exclusion set forth
2 in this Section may not be claimed concurrently with any other payroll expense tax exclusion.

3 (l) A misrepresentation or misstatement by any person regarding eligibility for the Central
4 Market Street and Tenderloin Area payroll expense tax exclusion authorized by this Section that results
5 in the underpayment or underreporting of the payroll expense tax shall be subject to penalties as
6 provided in Section 6.17-2 of Article 6 of the San Francisco Business and Tax Regulations Code.

7
8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10 By: _____
11 STEPHANIE PROFITT
12 Deputy City Attorney



Case for Proposed Payroll Tax Exclusion for Central Market and the Tenderloin

1. Neighborhood Revitalization Efforts and Need for Incentives

Neighborhood Context

Central Market and the Tenderloin have posed seemingly intractable challenges to City government over decades. Beginning in 2004, the Office of Economic and Workforce Development (OEWD) assisted with the development of community benefit districts both North and South of Market. These entities have been able to increase cleanliness of sidewalks and buildings and enhance beautification and safety to some extent, but it was widely acknowledged that a broader economic development strategy was needed to bring about real change in the area.

In January of 2010, Mayor Gavin Newsom announced the Central Market Partnership – a public/private initiative to renew and coordinate efforts to revitalize the Central Market neighborhood (Market Street from approximately Fifth to Tenth) and some adjacent areas of the Tenderloin, including Taylor Street. The City's goal was to restore Central Market as the City's downtown arts district – which already includes mainstream venues such as the Golden Gate, Orpheum, and Warfield Theaters, as well as edgier, community-serving establishments like the EXIT Theatre and several galleries – while inviting in new retail, restaurants, services and employers to take advantage of the transit and downtown location and serve the adjacent Tenderloin and SOMA neighborhoods.

The challenges of bringing about this transformation were, and continue to be, daunting. They include the following:

- Empty and underutilized buildings and storefronts
 - 31% storefront vacancy rate in 2010 on Market Street between 5th and 8th (compare to 24% vacancy rate on Third Street in Bayview and rates under 10% in other challenging SF commercial districts)
- Poor building conditions with little “leasable” space
 - 33 of the buildings between 5th and 8th are over 100 years old, most with long-deferred maintenance
- Relatively high rents given downtown location and transit access
- Lack of retail/services for neighborhood residents and workers (i.e. no full-service grocery store, few banks)
- Negative street activity and lack of foot traffic

These conditions require a strategy that both builds on the assets that already exist in the area, such as the arts establishments, but also require additional catalysts that can consume large amounts of vacant space and bring foot traffic and activity that will attract more retail, services and employers.

Revitalization Tools

To meet these challenges and stimulate catalyst project, the City has, thus far, developed the following tools to assist with this effort:

- An **\$11.5 million Central Market/Tenderloin Loan Fund** for low-interest loans to small- and moderate-sized businesses and/or nonprofits in the area
- Coordinated incentives, including a renewed effort to generate **tax increment financing** through a Redevelopment Area
- The **Better Market Street** initiative which will overhaul the streetscape and repave the corridor in 2015
- **Technical assistance** and limited funding for arts groups looking to relocate to or expand within Central Market and the Tenderloin
- An NEA grant to undertake visible **arts-oriented activities** that will generate positive foot traffic
- Partnerships with **community benefit districts** and other CBOs whose focus is on improving the neighborhood, as well as an **Interagency Working Group** to target City attention and resources to the neighborhood

In a short year, the Central Market Partnership has helped generate real momentum toward the transformation of the neighborhood. We have seen new developments approved, a handful of new businesses move into the area, eclectic arts programming, and some real progress on the establishment of permanent arts venues. We have piqued the interest of a number of entrepreneurs and some more established entities that are seriously considering moving into the area. However, we see the need for a sizable infusion of resources to help make many of the projects that have entered the pipeline a reality, ensure piloted programs are sustainable, and lure additional investment and jobs to the area.

We anticipate that the Central Market/Tenderloin Loan Fund will fund a few substantial projects, but this fund's applicability to all prospective borrowers (i.e. new arts and retail for Market Street) will be limited due to HUD constraints. A Redevelopment Area is a critical source of funding, but the future existence of Redevelopment is in question as a result of the Governor's budget proposal. However, even if the Redevelopment Plan does pass, the funding is limited, particularly in the early years. We are already leveraging General Fund and Federal resources to the extent possible (the payroll tax exemption will never replace direct grant and loan funding for building renovation and business attraction). However, the dire state of the local, state and Federal budgets lead us to seek additional tools.

A payroll tax exclusion will provide real benefit to businesses looking at coming into the area. It will also send a message to the retail, investment, and arts communities that the City is serious about enabling the revitalization of this area. This will be impactful even for attracting businesses that would not otherwise pay payroll tax, and we believe that the plethora of arts organizations that have begun to rally around this area will be supportive, as well as many of the Tenderloin organizations advocating for economic development in the area.

Potential Catalyst Projects

The following are among the current prospects that we think could benefit from a payroll tax exemption and potentially close deals as a result. We also believe that once the payroll tax exemption is publicized, our list of prospects will grow substantially. Current prospects that could benefit include:

- **Twitter**, which has outgrown its current locale and is interested in the arts district amenities and the centrally-located office space
- Two growing **hotel chains**, both of which cater to the creative economy and are contemplating space on Central Market
- **Black Rock LLC. (Burning Man)**, who is looking to locate their headquarters on Central Market and who pays the payroll tax
- Proposed **upscale youth hostel** at 1095 Market Street, which received Planning approval but is still raising money for the project
- Proposed **mixed-use theater project** at 950 Market that may be anchored by American Conservatory Theater. The project, sponsored by our community partner the Tenderloin Economic Development Project, includes substantial frontage on Market Street and is in need of prominent retail tenants.
- **Full-service grocery store** – we tried to recruit one a few years ago to no avail; with the payroll tax exemption, we could be successful.

Why Twitter Matters to Central Market

A company like Twitter would give the Central Market revitalization efforts a major lift for the following reasons.

- A company with Twitter's cache and multiplier effects coming to Central Market will send a signal to "the market" that Central Market is ready for a transformation. Retail and services, as well as arts groups, serving Twitter's employee demographic will follow.
- Other social media companies will flock to be near Twitter. Twitter is a tech industry leader that would anchor and catalyze an area that has no significant technology tenants. Twitter has a proven record of drawing other tech firms to co-locate in their current Folsom street location.
- The Twitter "demographic" – young, artsy, urban – is the target demographic for the niche we are trying to cultivate with the arts district concept. Twitter will catalyze the development of a particular type of identity for the area which will keep the area unique and prevent it from becoming an extension of downtown formula retail.
- Large, growing companies like Twitter have the ability to "give back" to the community in meaningful ways. If Twitter comes to Central Market, they will become a key stakeholder. We are in the process of outlining with Twitter the variety of ways the company and its employees can support local businesses, nonprofits, and the various efforts to revitalize the area.

2. Why the Payroll Tax Exclusion

Tax incentives have been commonly used as a tool for growing particular industries and sectors in a city, and have also been used in targeted efforts to develop an underdeveloped area. The City of San Francisco has a payroll tax exclusion for both biotechnology as well as clean technology industries.

Biotech Track Record

In 2004 the City of San Francisco had no operating biotechnology companies within city limits, despite being home to one of the world's preeminent research universities. Indeed, a neighboring city is home to one of the world's largest biotechnology firms, and yet none of this activity crossed in to San Francisco. As part of a comprehensive industry development strategy, the biotechnology payroll tax exclusion was approved by the Board of Supervisors in 2004 and extended in 2010. This exclusion, combined with a comprehensive economic and workforce development strategy, has paid dividends to the City. San Francisco is now home to over 74 biotech companies and more than 3,000 life sciences jobs. These are jobs that would have been created only a few miles down the road, had it not been for proactive, aggressive, thoughtful and targeted tax incentive.

Other Tax Exemption Incentives

Canada is another example of tax incentives used to develop industries, specifically for companies that develop digital content, including video games. The government estimates it has provided \$491 million in labor tax credits to the video game industry since 1998 — \$80 million this year alone, covering up to 37.5 per cent of labor costs, or \$11,428 per employee. Montreal is now home to studios for Electronic Arts, Eidos and Activision as well as Ubisoft's biggest studio in the world, at a little over 2,000 employees. Other recent business recruitments include California-based THQ and Warner Bros., who are both establishing studios in Montreal.

This investment has seen remarkable results. According to the Quebec government, the video game industry has grown 600 per cent since 2003. About 50 development studios provided 5,000 jobs by May 2010 and other firms within the multimedia industry employ about 2,000 more in the province. Nation-wide more than 14,000 people are now directly employed by more than 247 Canadian video-game companies. These numbers are astronomical when compared to industry figures that show that this sector had a negligible presence in the country only twenty years ago.

Additionally, the City of New York has used a range of tax exemptions to incentivize developers and corporations to return to Lower Manhattan after 9/11. The programs range from real estate tax abatement that apply broadly as well as one that applies to industrial and commercial space, commercial rent tax reduction, per-employee grants and tax credits for hiring, a sales tax exemption for tenant improvements, and rent reduction for tenancy in the World Trade Center. The City touts these various incentives in having a major impact on the return of the market in Lower Manhattan.

3. The Proposed Payroll Tax Exclusion for Central Market/Tenderloin

Overview

As currently proposed, the Central Market/Tenderloin Payroll Tax Exclusion (CMTPTE) would exclude from the City's payroll expense tax all net new qualified employees to the Central Market and Tenderloin Area for a period of 6 years. Currently, any for-profit business in San Francisco with a payroll above \$250,000 pays 1.5% of payroll in taxes.

- “Net new” employees are those who either: (1) are newly hired employees by an existing business operating in the Central Market/Tenderloin – note that a business’ existing employees, hired prior to the introduction date of this legislation, are not eligible or considered “net new”; or (2) are newly hired employees by an any operating business who has relocated operations to the Central Market Street area – note that a business’ existing employees, hired prior to the introduction date of this legislation and prior to that business’ relocation to the Central Market/Tenderloin area, are not eligible or considered “net new;” and (3) are existing or newly hired employees by a business that has not operated in San Francisco prior to the introduction of this legislation and prior to locating in the Central Market/Tenderloin area – note that this business would see 100% of its payroll excluded.
- “Qualified employees” is defined as employees who spend at least 90% of work time on activities directly related to the conduct of a trade or business located within the Central Market/Tenderloin area and perform at least 90% of work time within the boundaries of the Central Market Street Area.
- The CMTPTE will take effect upon signing, and will remain effective for 8 years. Businesses may claim up to 6 years of exclusion, commencing at any point during the 8 year effective period. However, businesses may not claim any unused portion of the exclusion after the legislation expires.
- The process for claiming the exclusion is as follows:
 - Complete and submit an initial application to OEWD for review and evaluation. This application shall include participation in the City’s First Source Hiring Program. OEWD notifies businesses of approval or denial.
 - Businesses must file an annual Payroll Expense Tax Return with Treasurer and Tax Collector regardless of the amount of tax liability shown on the return after claiming the exclusion.
 - Each year after the initial approval, a business must file an annual affidavit with OEWD affirming that they continue to meet the eligibility criteria.
 - Businesses must maintain a reasonable method of documentation that tracks employees whose compensation qualifies for the CMTPTE, and provide such documentation to the Tax Collector upon request.
- The Tax Collector will submit an annual report to the Board of Supervisors for each year for which the CMTPTE is available that sets forth aggregate information on the dollar value of the Central Market Street Area exclusions taken each year, the number of

businesses taking the exclusion, and the change in the number of Central Market/Tenderloin businesses in the City.

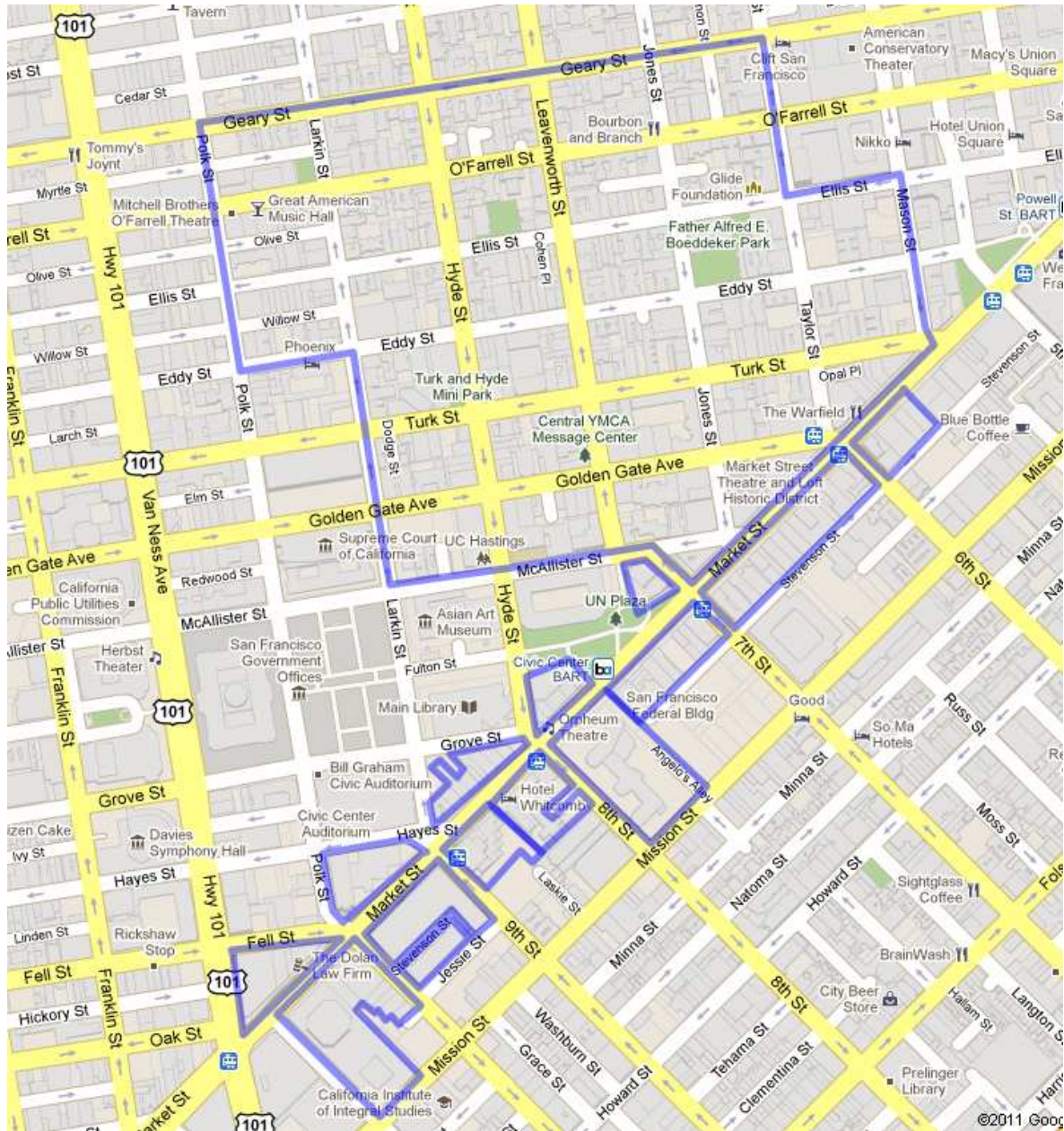
- The Assessor-Recorder will submit an annual report to the Board of Supervisors for each year for which the CMTPE is available that sets forth any identifiable increases in property value resulting from Central Market Street/Tenderloin business location, relocation or expansion.
- The Controller, after three years from the enactment the CMTPE, shall perform an assessment and review of the effect of CMTPE. Based on such assessment and review the Controller shall prepare and submit an analysis to the Board of Supervisors.

Geographic Boundaries

The “Central Market and Tenderloin” area includes:

- Parcels fronting the south side of Market Street from Eleventh Street to Sixth Street
- A portion of the parcels fronting the south side of Market Street from Sixth Street to Fifth Street (odd numbered addresses from 999 – 933 Market St.)
- Parcels fronting the north side of Market Street from Van Ness Avenue to Eighth Street
- The area bordered by:
 - *Geary St.*, from Polk St. to Taylor St. (south side only)
 - *Taylor St.*, from Geary St. to Ellis St. (west side only)
 - *Ellis St.*, from Taylor St. to Mason St. (south side only)
 - *Mason St.*, from Ellis St. to Market St. (west side only)
 - *Market St.*, from Mason St. to Charles J. Brenham Pl. (north side only)
 - *Charles J. Brenham Pl.*, from Market St. to McAllister St. (east side only)
 - *McAllister St.*, from Charles J. Brenham Pl. to Larkin St. (north side only)
 - *Larkin St.*, from McAllister St. to Eddy St. (east side only)
 - *Eddy St.*, from Larkin St. to Polk St. (north side only)
 - *Polk St.*, from Eddy St. to Geary St. (east side only)
- 875 Stevenson Street.

Central Market and Tenderloin Payroll Tax Exclusion Boundaries



4. The Case for the Central Market/Tenderloin Payroll Tax Exclusion

Direct Economic Impact of Twitter

Based on OEWD estimates, Twitter staying and expanding in the City would have a sizeable direct and indirect economic impact. While the CMTPE would exempt Twitter from paying the payroll tax on new payroll, Twitter would continue to pay its “base” payroll tax (the current amount of payroll tax paid to the City upon locating to Central Market). Additionally, Twitter would generate property tax, utility-user tax (UUT), sales tax, hotel tax and pay the costs of applicable permits and fees.

- **Job Creation:** OEWD estimates that Twitter could accommodate more than 1,300 jobs in its first year on Central Market and grow to more than 2,600 jobs in 6 years.
- **Tax Revenue:** OEWD estimates that in the first year on Central Market, Twitter could generate more than \$1.3 million in direct tax revenue to the City. This would include \$465,000 in property taxes from the reassessment of the building and interior improvements, \$149,000 in hotel taxes from room stays generated by Twitter, \$93,000 in utility user tax, \$76,000 in sales and use tax in addition to its base payroll tax. The direct tax revenue would increase as Twitter grows. Over 6 years OEWD estimates that Twitter’s cumulative direct tax revenue for the City could total \$9.7 million. In the 7th year, when the payroll tax exclusion would end, Twitter could generate more than \$4 million in payroll tax alone.

Indirect Economic Impact of Twitter (Multiplier Effect)

Twitter would also have a substantial indirect economic impact (i.e. multiplier effect) through jobs generated through the purchase of goods and services by the firm and its employees.

- **Job Creation:** OEWD estimates that Twitter’s location on Central Market would support the creation of an additional 1,800 San Francisco jobs in the first year and grow to 3,700 jobs in 6 years. To be clear, these are the jobs that would be created because of the goods and services that Twitter and its employees buy. This would be in addition to any jobs that would be created because of technology companies that would be drawn to the City because of Twitter.
- **Tax Revenue:** The creation of these spinout jobs would themselves create another \$1.6 million in tax revenue for the City in the first year.

Catalyzing a Tech / Social Media Cluster on Central Market

Central Market should be a natural extension and beneficiary of the strong economic activity in SoMa. However, major technology tenants have not located on Central Market or the Civic Center area despite lower office rents and higher vacancies than SoMa and the Financial District. A Twitter decision to locate on Central Market would have a catalytic effect that would bring new businesses and new jobs to Central Market and Civic Center. Twitter would be a tech pioneer to this area and serve as a proof point to other tech firms that the Central Market is a viable alternative to traditional areas. Combined with high vacancy and lower relative rents, Central Market would become an attractive opportunity to cluster near one of the world’s leading social media companies. Similar to the City’s success attracting the biotech industry through a combination of a payroll tax exclusion and strong anchors in Mission Bay, Twitter would be an anchoring use that would draw other social media and technology firms to a new tech/social

media cluster. This would pair well with the growing number of cutting-edge cultural arts uses the City is also trying to help cluster in this area.

Vacant Storefronts and Empty Office Buildings: An Opportunity for Job Creation

The Central Market has the highest retail vacancy of any commercial corridor OEWD tracks with a vacancy rate of 31%. OEWD has identified at least 389,000 sq/ft of vacant retail and upper floor office space in the Central Market/Tenderloin area. The Central Market also has one of the highest office vacancies in the city with more than 1.5 million sq/ft of vacant or soon to be vacant office space in four large office buildings in the CMTPTTE area (this is in addition to the space Twitter could occupy). This level of vacancy along with a number of potential rehabilitation projects creates an opportunity to add jobs in existing vacant and underutilized buildings. OEWD estimates that filling just 25% of the 1.5 million sq/ft of the vacant office space would bring more than 1,500 jobs to Central Market¹.

Strong Cost / Benefit

Since this proposal provides a payroll tax exclusion solely for net new jobs to the city, there is no reduction in current revenues to the city. Any cost of the proposal would be forgone future payroll tax *growth* in the CMTPTTE target area that would have occurred "on the natural" (i.e. occurred without the CMTPTTE). While there would likely be net growth that would have occurred organically, OEWD cannot forecast the future payroll tax growth in the Central Market and Tenderloin Area. However, the CMTPTTE target area represents a small fraction of the city's overall payroll tax base (Central Market is 0.4% of the citywide payroll tax base in 2009). OEWD believes that the forgone future revenue would be vastly offset by the direct and indirect city revenues discussed above.

¹ Assumes general office employee utilization rate of 1 employee per 250 sq/ft

[Business and Tax Regulations Code - Payroll Expense Tax Exclusion in Central Market Street and Tenderloin Area]

Ordinance amending Article 12-A of the Business and Tax Regulations Code by adding Section 906.3 to establish a payroll expense tax exclusion for businesses located in the Central Market Street and Tenderloin Area and requiring persons with an annual payroll expense of over \$1,000,000 to enter into a Community Benefit Agreement with the Office of the City Administrator.

NOTE: Additions are single-underline italics Times New Roman;
deletions are ~~strike-through italics Times New Roman~~.
Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors hereby finds that:

(a) In January of 2010, Mayor Gavin Newsom announced the Central Market Partnership – a public/private initiative to renew and coordinate efforts to revitalize the Central Market neighborhood (from approximately Fifth Street to Tenth Street) with a focus on cultivating an eclectic, community-serving arts district.

(b) As part of the Central Market Partnership, the City has developed the following tools to assist with this effort:

(1) An \$11.5 million loan fund for low-interest loans to small businesses in the area;

(2) Coordinated incentives, including a renewed effort to generate tax increment financing through a Redevelopment Area;

(3) The Better Market Street initiative, which will overhaul the streetscape and repave the corridor in 2014;

1 (4) Technical assistance and limited funding for arts groups looking to
2 relocate to Central Market;

3 (5) An NEA grant to undertake visible arts-oriented activities that will
4 generate positive foot traffic; and

5 (6) Partnerships with recently established Community Benefit Districts and
6 other Community Benefit Organizations whose focus is on improving the neighborhood as
7 well as an Interagency Working Group to target City attention and resources to the
8 neighborhood.

9 (c) Therefore, attracting businesses to the Central Market Street neighborhood is a
10 key component in the revitalization of the area.

11
12 Section 2. The San Francisco Business and Tax Regulations Code is hereby amended
13 by adding Section 906.3, to read as follows:

14 **SEC. 906.3. CENTRAL MARKET STREET AND TENDERLOIN AREA PAYROLL**
15 **EXPENSE TAX EXCLUSION.**

16 (a) ~~The amount of~~ An exclusion from the payroll expense tax due under this Section
17 shall be:

18 (1) ~~For any~~ allowed for each person maintaining who maintains a fixed place of
19 business in within the Central Market Street and Tenderloin Area on the effective date of this
20 ordinance, such person for payroll expense attributable to that fixed location; provided,
21 however, that in no event shall owe the lesser of that tax exclusion reduce a person's payroll
22 expense tax liability for 2010 or that to less than the person's Base Year payroll expense tax
23 liability for the year they are claiming the exclusion, including zero; liability.

24 (2) ~~For any person who commences to maintain a fixed place of business in~~
25 ~~the Central Market Street and Tenderloin Area after the effective date of this legislation, such~~

1 person shall owe the lesser of that person's payroll expense tax liability for the tax year prior
2 to the date the person commenced to maintain a fixed place of business in the Central Market
3 Street and Tenderloin Area or that person's payroll expense tax liability for the year they are
4 claiming the exclusion, including zero; or

5 (3) — For any person who commences to maintain a fixed place of business in
6 the Central Market Street and Tenderloin Area after relocating to San Francisco, such person
7 shall owe the lesser of the amount that person paid in payroll expense tax for that person's
8 initial year in San Francisco and that person's payroll expense tax liability for the year they are
9 claiming the exclusion, including zero.

10 (b) For purposes of this Section, the following terms shall have the meanings set forth
11 below:

12 (1) "Central Market Street and Tenderloin Area" means the area located in
13 downtown San Francisco, generally including: parcels fronting the south side of Market Street from
14 Eleventh Street to Sixth Street; a portion of the parcels fronting the south side of Market Street from
15 Sixth Street to Fifth Street (odd numbered addresses from 999 to 933 Market Street); parcels fronting
16 the north side of Market Street from Van Ness Avenue to Eighth Street; 875 Stevenson Street; and
17 parcels in the area bordered by: Ellis Street from Polk Street to Mason Street (south side only);
18 Geary Street, from Polk Street to Taylor Street (south side only); Taylor Street, from Geary
19 Street to Ellis Street (west side only); Ellis Street, from Taylor Street to Mason Street (south
20 side only); Mason Street, from Ellis Street to Market Street (west side only); Market Street, from
21 Mason Street to Charles J. Brenham Place (north side only); Charles J. Brenham Place, from Market
22 Street to McAllister Street (east side only); McAllister Street, from Charles J. Brenham Place to Larkin
23 Street (north side only); Larkin Street, from McAllister Street to Eddy Street (east side only); Eddy
24 Street, from Larkin Street to Polk Street (north side only); and Polk Street, from Eddy Street to Ellis
25 Geary Street (east side only). The exclusion applies exclusively to the following Assessor's Lots: the

1 entirety of Blocks 0317, 0318, 0319, 0320, 0321, 0322, 0322A, 0323, 0324, 0331, 0332, 0333,
2 0334, 0335, 0336, 0337, 0338, 0339, 0340, 0342, 0343, 0344, 0345, 0346, 0347, 0348, 0349, 0350,
3 0716, 0717, and 0740, and 0835; Block 0813, Lots 7, 8, 9 and 10; Block 0835, Lots 1, 2 and 3;
4 Block 3701, Lots 50, and 59 and 65; Block 3702, Lots 1, 44, 44A, 45, 46, 47, 48, 48A, and 53 and
5 54; Block 3703, Lots 1, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 70, 74, 75, 76, 78 and 88; Block
6 3704, Lots 70, 69, 68, 67 and 78; Block 3507, Lots 39, 40 and 41; Block 3508, Lots 1 and 39; Block
7 0355, Lots 3, 4, 5, 6, 7, 8, 9, 10 and 15; and Block 0351, Lots 1, 22, 39, 41, 46, 47, 49 and 51.

8 (2) An employee is a "qualified employee" "Base Year" means the 2010 tax
9 year for purposes a person who maintains a fixed place of computing business in
10 San Francisco the Central Market Street and Tenderloin Area on the effective date of this
11 exclusion if the employee spends at least 90% of work time on activities directly
12 related ordinance, provided that the person maintained a fixed place of business in the Area
13 for the entirety of such tax year. If the person did not maintain a fixed place of business in the
14 Area for the entirety of 2010, then the first full tax year that person maintains a fixed place of
15 business in the Area shall be the Base Year. For a person who moves a business to the
16 conduct of a trade or business located within the Central Market Street and Tenderloin Area and
17 performs at least 90% of work time within from another part of San Francisco, Base Year
18 means that person's full tax year for the boundaries of year prior to entering into a lease
19 agreement or buying real property in the Central Market Street and Tenderloin Area, provided
20 that person was doing business in San Francisco for the entirety of such tax year. For
21 purposes a person who commences to maintain a fixed place of business in San Francisco
22 after the effective date of this Section, outside independent contractors shall not be considered
23 employees of the business. ordinance, Base Year means that person's first full tax year in the
24 Area.
25

1 (c) In order to be eligible for the payroll expense tax exclusion authorized under this
2 Section, persons wishing to claim the exclusion must:

3 (1) Complete and submit an initial application to the Office of Economic and
4 Workforce Development for review and evaluation. The Office of Economic and Workforce
5 Development will use this application to verify that applicants claiming the payroll expense tax
6 exclusion under this Section meet the eligibility requirements outlined in subsections subsection
7 (b)(1) and (b)(2) of this Section. The Office of Economic and Workforce Development and the Office
8 of the Treasurer and Tax Collector shall have the authority to prescribe the form of the
9 application and, consistent with this ordinance, the rules and regulations regarding eligibility for the
10 Central Market Street and Tenderloin Area payroll expense tax exclusion, which shall include
11 participation in the City's First Source Hiring Program as defined in Section 83.4 of the Administrative
12 Code.

13 (2) File an annual affidavit with the Office of Economic and Workforce Development
14 affirming that they continue to meet the eligibility criteria as determined by the Office of Economic and
15 Workforce Development. The annual affidavit should detail the total number of individuals hired
16 during the year, the number of individuals who were referred by the San Francisco Workforce
17 Development System during the year, and the duration of employment for each individual
18 hired during the year. The affidavit must be filed with the Office of Economic and Workforce
19 Development on or before January 31 of each year subsequent to the Office of Economic and
20 Workforce Development's initial approval of the application.

21 (3) Maintain records and documents in a reasonable method of
22 documentation that manner acceptable to the Tax Collector can review or verify. Such records
23 and documents must objectively that tracks employees whose compensation qualifies for the
24 Central Market Street and Tenderloin Areas substantiate any exclusion, and provide such
25 documentation claimed under this Section and be provided to the Tax Collector upon request.

1 (4) File an annual Payroll Expense Tax Return with the Tax Collector regardless of
2 the amount of tax liability, if any, shown on the return after claiming the exclusion provided for in this
3 Section.

4 (5) Any person whose annual payroll expense exceeds one million dollars
5 (\$1,000,000) shall enter into a binding Community Benefit Agreement with the Office of
6 Economic and Workforce Development City Administrator in order to be eligible for the payroll
7 expense tax exclusion under this Section. Such Community Benefit Agreement may include
8 commitments to engage in community activities in the Central Market Street and Tenderloin
9 Area as well as participation in workforce development opportunities.

10 (d) The Office of Economic and Workforce Development shall:

11 (1) Together with the Office of the Treasurer and Tax Collector, No later than
12 the effective date of this ordinance, adopt rules, regulations and forms regarding eligibility and the
13 application process for the Central Market Street and Tenderloin Area payroll expense tax exclusion.
14 The Office of Economic and Workforce Development may amend such rules, regulations and
15 forms may be amended from time to time as necessary.

16 (2) Review all applications for completeness and upon approval, issue a certificate
17 of eligibility to the applicant. The decision of the Office of Economic and Workforce Development
18 regarding eligibility for the exclusion shall may not be final appealed by an applicant.

19 (3) Provide the Tax Collector with a list of persons eligible to claim the tax
20 exclusion authorized under this Section for the preceding tax year by March 1 of each year.

21 (e) The Tax Collector shall verify that any exclusion claimed pursuant to this Section
22 is appropriate.

23 (ef) The Central Market Street and Tenderloin Area exclusion authorized under this Section
24 shall be available to and may be taken by each person for each tax year that person holds a valid
25 certificate of eligibility for a period not to exceed six years from the effective date of this ordinance or

1 the commencement of the person's business in the Central Market Street and Tenderloin Area,
2 whichever is later. The date the Tax Collector first received the person's application for a business
3 registration certificate for the person's Central Market Street and Tenderloin Area business shall be
4 presumed to be the date of commencement of such business unless the person establishes a different
5 commencement date to the satisfaction of the Tax Collector.

6 (fg) The Central Market Street and Tenderloin Area exclusion authorized under this Section
7 shall expire on the eighth anniversary date of the effective date of this Section. A person may not use or
8 claim any unused portion of the Central Market Street and Tenderloin Area exclusion after the
9 expiration date of this Section. Unless exempted under Sections 906 of this Article, every person
10 engaging in a business in the Central Market Street and Tenderloin Area in the City shall pay the tax
11 imposed under this Article on the full amount of the person's payroll expense attributable to the City
12 from and after the expiration of this Section.

13 (gh) If a person's calculated liability for the Ppayroll Eexpense Ttax does not exceed the
14 ceiling specified in Section 905-A for the tax year after applying the Central Market Street and
15 Tenderloin Area exclusion under this Section, the person shall be exempt from payment of the Ppayroll
16 Eexpense Ttax for that tax year as provided in Section 905-A.

17 (hi) The Tax Collector shall submit an annual report to the Board of Supervisors for each
18 year for which the Central Market Street and Tenderloin Area exclusion authorized under this Section
19 is available that sets forth aggregate information on the dollar value of the Central Market Street and
20 Tenderloin Area exclusions taken each year, the number of businesses taking the exclusion and the
21 change in the number of businesses located in the Central Market Street and Tenderloin Area of the
22 City.

23 (i) The Office of the City Administrator Economic and Workforce Development shall
24 submit an annual report to the Board of Supervisors for each year for which the Central
25 Market Street and Tenderloin Area exclusion authorized under this Section is available that

1 sets forth any and all Community Benefit Agreements that have been entered into with the
2 Office of the City Administrator of Workforce Development during that year.

3 (ik) The Assessor-Recorder shall submit an annual report to the Board of Supervisors for
4 each year for which the Central Market Street and Tenderloin Area exclusion authorized under this
5 Section is available that sets forth any identifiable increases in property value resulting from
6 businesses' location, relocation or expansion to or within the Central Market Street and Tenderloin
7 Area.

8 (jl) The Controller, not later than ~~after~~ three years after the effective date of this ordinance,
9 shall perform an assessment and review of the effect of the Central Market Street and Tenderloin Area
10 payroll expense tax exclusion on the Central Market Street and Tenderloin Area. Based on such
11 assessment and review the Controller shall prepare and submit an analysis to the Board of Supervisors.
12 The analysis shall be based on factors that the Controller deems relevant, and may include, but shall
13 not be limited to, data contained in the annual reports to the Board of Supervisors as required by
14 subsections (h) and (i), (j) and (k) of this Section.

15 (km) The Central Market Street and Tenderloin Area payroll expense tax exclusion set forth
16 in this Section may not be claimed concurrently with any other payroll expense tax exclusion.

17 (ln) A misrepresentation or misstatement by any person regarding eligibility for the Central
18 Market Street and Tenderloin Area payroll expense tax exclusion authorized by this Section that results
19 in the underpayment or underreporting of the payroll expense tax shall be subject to penalties as
20 provided in Section 6.17-2 of Article 6 of the San Francisco Business and Tax Regulations
21 Code.

22 APPROVED AS TO FORM:
23 DENNIS J. HERRERA, City Attorney

24 By:

25 
STEPHANIE PROFITT
Deputy City Attorney

Mayor, Supervisors Kim, Chiu, Farrell, Cohen, Wiener, Chu
BOARD OF SUPERVISORS



City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 110155

Date Passed: April 19, 2011

Ordinance amending Article 12-A of the Business and Tax Regulations Code by adding Section 906.3 to establish a payroll expense tax exclusion for businesses located in the Central Market Street and Tenderloin Area and requiring persons with an annual payroll expense of over \$1,000,000 to enter into a Community Benefits Agreement with the City Administrator.

March 16, 2011 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

March 16, 2011 Budget and Finance Sub-Committee - CONTINUED AS AMENDED

March 23, 2011 Budget and Finance Sub-Committee - AMENDED

March 23, 2011 Budget and Finance Sub-Committee - REFERRED WITHOUT RECOMMENDATION AS AMENDED

April 05, 2011 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

April 05, 2011 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

Ayes: 8 - Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar and Wiener

Noes: 3 - Avalos, Campos and Mirkarimi

April 12, 2011 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

April 12, 2011 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

Ayes: 8 - Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar and Wiener

Noes: 3 - Avalos, Campos and Mirkarimi

April 19, 2011 Board of Supervisors - FINALLY PASSED

Ayes: 8 - Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar and Wiener


Noes: 3 - Avalos, Campos and Mirkarimi

File No. 110155

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
4/19/2011 by the Board of Supervisors of the
City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor Edwin Lee

4.20.11

Date Approved



{In Archive} Re: Fw: new draft of community engagement plan - please review/approve

Todd Rufo to: Amy B Cohen

02/04/2011 04:59 PM

Archive: This message is being viewed in an archive.

How's this

There is a citywide need for local jobs for people with less than a four-year college degree, and a particular need among residents of the Tenderloin and SOMA for this type of job. Twitter will work with the City to develop a mutually agreeable program to train this population and prepare them for future jobs in the social media and technology sectors.

Todd Rufo
Director, Business Development
Office of Economic and Workforce Development
City Hall
1 Dr. Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102

Direct: (415) 554-5694
Fax: (415) 554-6018
Email: todd.rufo@sfgov.org
www.oewd.org

Amy B Cohen

----- Original Message ----- From: Ali Rowghani [...

02/04/2011 04:53:57 PM

From: Amy B Cohen/MAYOR/SFGOV
To: "Todd Rufo" <Todd.Rufo@sfgov.org>
Date: 02/04/2011 04:53 PM
Subject: Fw: new draft of community engagement plan - please review/approve

From: Ali Rowghani [ali@twitter.com]
Sent: 02/04/2011 04:16 PM PST
To: Amy Cohen
Cc: Jennifer Matz
Subject: Re: new draft of community engagement plan - please review/approve

Amy

I like the structure and tone of what you've put together very much. But I still have concerns about #4 because I don't fully understand what it will mean. As long as I have your and Jen's assurance that we will jointly figure this out and that this document is not setting Twitter up for making promises it may not be able to keep, I am fine with including it, but I would prefer that the commitment on #4 be phrased a bit more conditionally. Like saying something like, "Twitter will work with the City to develop a mutually agreeable program...."

Otherwise, it looks good.

Ali

On Fri, Feb 4, 2011 at 1:54 PM, <Amy.B.Cohen@sfgov.org> wrote:

Ali,

Here is a revised draft of this community engagement plan. Tell me what you think. I think it reflects our conversation well but need you to sign off on it by the end of the day.

(Note we are still doing final edits).

thanks

amy

(See attached file: Twitter Community Engagement Plan.doc)

Amy B. Cohen
Director, Neighborhood Business Development
Mayor's Office of Economic and Workforce Development
415-554-6649
amy.b.cohen@sfgov.org

Re: question on TL boundaries for payroll tax exemption 

Amy B Cohen to: Randy Shaw

Cc: Jennifer Entine Matz

02/08/2011 08:37 AM

Article is perfect. This is gamechanging, largely for the signal it sends about the City's commitment to improving the area.

David Seward and I talked Friday. He would like to be included if it's not too hard. So if you're ok with it, I will figure out how to get it in.

I am doing a two-page info sheet and PPT for community meeting tomorrow. We will also have larger memo available to the public.

May run these by you later...

Amy

From: "Randy Shaw" [Randy@thclinic.org]

Sent: 02/08/2011 08:10 AM PST

To: Amy Cohen

Cc: Jennifer Matz

Subject: Re: question on TL boundaries for payroll tax exemption

Here's my story, <http://beyondchron.org/news/index.php?itemid=8879> The Phoenix is in the district. The Hastings Garage is not, and I did not include it in article because the spaces are so small that its unlikely any would ever reach a \$250,000 payroll. I called David Seward yesterday to confirm this but he is out of town and did not get back to me. It should get the exemption if he thinks it might help. If the YMCA ever built on their Golden Gate site it would be exempt from payroll taxes as a nonprofit.

>>> <Amy.B.Cohen@sfgov.org> 2/7/2011 9:02 PM >>>

Randy,

I didn't act fast enough on this to make a change today, but it was brought to my attention that the Uptown TL boundaries don't include all the possible Tenderloin beneficiaries of a payroll tax exemption. For instance, there is the Hastings garage retail space or the retail space at 83 McAllister. . . . Do you think during the next 30 days we should consider adding in a little more property? Is Phoenix Hotel in here or out?

amy

Amy B. Cohen



next version Twitter community engagement plan

Amy B Cohen to: Todd Rufo, Kelly Pretzer, Jennifer Entine Matz

02/17/2011 09:34 AM

This message is digitally signed.

History:

This message has been replied to.

I haven't proofed this and have to run. Back around noon.

Please review/give feedback and, Jennifer, we need to talk about next steps.

amy



Twitter Community Engagement Plan 2.doc

Amy B. Cohen
Director, Neighborhood Business Development
Mayor's Office of Economic and Workforce Development
415-554-6649
amy.b.cohen@sfgov.org

Twitter's Community Engagement Plan

February 15, 2011

Twitter is enthusiastic about the range of opportunities they can pursue to make a substantial impact on the neighborhood and the City. The following are components Twitter has agreed to, in concept, that will enable the company's meaningful community engagement. The Office of Economic and Workforce Development (OEWD) is committed to working out the details of the various programs in conjunction with Twitter and community stakeholders and expects the programs to roll out over the next two years as Twitter grows.

Twitter will create an internal infrastructure for community engagement by doing the following:

- Designating a **community development liaison** for the company. This person will assist with the development and implementation of initiatives outlined in this plan and will be the company's point person for City departments and community-based partners. This will be at minimum a .30 FTE position. Job tasks for this person include:
 - Development of programs outlined below, in conjunction with OEWD
 - Coordination of employee volunteer program outlined below
 - Representative of Twitter at community events
 - Contact for corporate sponsorship requests
 - Attendance of regular community and City meetings, i.e. Central Market Partnership monthly meetings OEWD.
- Coordinating an **employee volunteer program** aimed at connecting employees with Central Market revitalization efforts and other initiatives, including those described below. Potential volunteer activities might include anything from volunteering for community arts events, developing a web site or web content to promote a project, assisting with a wireless network development in the Tenderloin, to mentoring an area small business owner in using technology to market a business.
 - Employees will be encouraged to volunteer up to 1% of their time during work hours
 - Twitter will institute employee recognition program to encourage volunteer work
 - Community development liaison will manage and regularly publicize a list of ongoing and one-time volunteer opportunities as part of the initiatives described below. Twitter may also choose to ally with Volunteer Center of San Francisco, Hands on Bay Area, or other entities that connect corporate volunteers with community volunteer opportunities.

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Formatted: Bullets and Numbering

In addition, below are the specific initiatives Twitter is interested in partnering with the City to roll out.

1. Central Market Partnership Activities

The City and many stakeholders have joined together to revitalize the Central Market neighborhood. This is being done through retail and arts group attraction, marketing and promotional events, arts activities, and the future redesign of the streetscape, among other things. Twitter is excited to play a key role in these efforts. Some of the ways Twitter plans to engage include:

- Twitter will be creating a **high-profile interactive storefront destination** on Central Market. Through a combination of retail windows, signage and sidewalk projects, Twitter will enliven Market Street by creating a unique, engaging installation inspired by how Twitter interacts with the world. They envision this becoming a visitor destination as well as an obvious improvement to the public realm on what is now a fairly desolate block.

○ TWITTER PLEASE PROVIDE MORE DETAIL, MAYBE A MOCK-UP?

- Twitter will establish, develop, and/or provide marketing support for additional **ways to use technology** to promote the area—i.e. web site, blogs, applications, etc.

○ Twitter's volunteer coordinator will link up employee volunteers with the Central Market Partnership City staff and community partners in order to provide marketing consultation to the various effort to improve the neighborhood

○ Twitter volunteers will be recruited to develop/enhance web sites, blogs, applications, etc. to better promote the area and the revitalization efforts

- As charitable giving dollars become available, Twitter will consider **sponsorship of Central Market efforts** such as the UN Plaza Arts Market, Central Market Arts Festival, and a variety of other short- and long-term projects that will promote the area and develop it as an eclectic arts district. This may, in part, be accomplished by

- making a contribution to the to-be-established **Central Market Fund for Arts Entrepreneurship**.

○ The Central Market Fund for Arts Entrepreneurship will be seeded by the City and key Central Market stakeholders including Black Rock LLC/Burning Man, Blick's Art Supplies, and others in the area or relocating there.

○ The Fund will provide mini-grants to individuals and organizations using the arts to beautify, promote, and activate the Central Market and Tenderloin area with programming and artwork in public places or publicly-accessible private property. Priority will be given to individuals and organizations from the immediate neighborhoods, with an emphasis on youth art projects.

○ Mini-grants will be administered by a third-party entity. Contributors to the fund will be included on the grants selection committee and will be invited to participate in the projects. Pro bono technical assistance will be available to all grantees.

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- Eligible projects may include public art installations, public performances, art displays in vacant storefronts, pop-up theater projects, and arts festivals.

2. Community Business Development Program

Companies like Twitter provide invaluable opportunities for emerging small businesses through **contracting**. Twitter currently contracts with a caterer for daily meals for its employees. OEWD will assist Twitter in identifying a broader range of businesses with which it can subcontract for food and other services, with an emphasis on a) opportunities for emerging entrepreneurs, i.e. through City-funded business development programs like La Cocina; and b) making an effort to contract with Tenderloin and SOMA businesses.

- Twitter will provide a list of vending opportunities to OEWD. At minimum, these would include food service.
- OEWD will develop and maintain a custom list of retail and service providers in the area and the City that would be a good fit for Twitter's needs.
- Vending opportunities list would be revisited quarterly or as contracts become available.

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Twitter could also partner with the City and area business development organizations to provide assistance to its contractors and other area businesses around using technology-social media to promote and market their businesses.

- Through OEWD grantees and the Small Business Assistance Center, OEWD will assess the demand for training small businesses in the use of social media technology for marketing.
- This might happen through ~~workshops or even mentoring~~. OEWD grantees such as Urban Solutions, Renaissance Center, and Southeast Asian Community Center (all in the Central City area) provide training, technical assistance and financing to small businesses in San Francisco free of charge. Twitter employees will volunteer to teach workshops or provide consulting assistance to small businesses through programs developed by these organizations.

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3. Neighborhood Amenities Program

Central Market has a growing number of retail and service establishments in need of patronage. In addition to contracting directly with some of these, Twitter will encourage individual employees to **patronize cafes, stores, restaurants, food trucks, public markets and services** in the area.

- OEWD will catalogue the neighborhood amenities and update them on the OEWD web site
- OEWD will also work with area businesses, including the UN Plaza farmer's market, art market, and Off the Grid Food Trucks, to develop promotions and discounts aimed at area employees

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- Twitter community development liaison will link to the OEWD site and publicize promotions for businesses
- Twitter will consider developing a "frequent flyer" program to promote shopping in the area
- These might include coffee shops, restaurants, gyms, pilates studios, boutiques, etc. OEWD will assist with the development of marketing materials aimed at Twitter employees. It could be as simple as a Twitter account that sends occasional promotions to employees (and others; see Technology tools below). To incentivize, Twitter could develop "frequent flyer" type of coupon card for employees.

4. Workforce Development Pilot Program: TechBridge

There is a citywide need for local jobs for people with less than a four-year college degree, and a particular need among residents of the Tenderloin and SOMA for this type of job. Twitter will work with OEWD and various training partners to develop TechBridge, a workforce development program to train and expose individuals from varied backgrounds to careers in the social media and technology sectors.

- Twitter will provide advice and guidance in the design of curriculum, development of new courses, and the structuring of certificate programs that will prepare an individual for entry-level employment in the technology field.
- Twitter will agree to participate in the TechBridge intern program, making internships available to TechBridge participants.
- Engagement will be modeled after the successful "Bridge to Biotech" program, where organizations like the UCSF, Gladstone Institutes, Lawrence Berkeley National Labs and leading biotech companies provide advice on continuous improvement of the training program and employ students engaged in relevant vocational training.

Workforce Development Pilot Program

There is a citywide need for local jobs for people with less than a four-year college degree, and a particular need among residents of the Tenderloin and SOMA for this type of job. Bay Area Video Coalition (BAVC) has expertise developing job training programs with technology companies. Twitter will partner with BAVC (or a consortium that may include BAVC, OEWD, City College, and others) to develop and deliver a curriculum that would be employed to train this population and prepare them for future jobs in the social media and technology sectors.

5. **San Francisco Unified School District Partnership**

Twitter would like to partner with the school district, and potentially area schools, to help meet needs that Twitter is uniquely equipped to meet: educating schools and families around the use of social media. One project would involve mentoring principals and teachers as they integrate technology into

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~~schools and classrooms. This relationship could also include helping schools learn to use Twitter to communicate with parents. The following opportunities will be developed by SFUSD for Twitter volunteers:~~

- ~~• Teacher and principal workshops on using social media to communicate with parents~~
- ~~• Teacher and principal workshops on safe use of social media among middle school students~~
- ~~• Parent workshops on safe use of social media among middle school students~~
- ~~• Middle school student workshops on safe use of social media~~

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6. Tenderloin Technology Access Program

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~~The City has an initiative to provide free wireless to underserved communities, including the Tenderloin. The City is also preparing a pilot program to provide private entities in the Central Market/Tenderloin area access to the City's dark fiber network for a small fee. The Furniture Mart building has the ability to link to the dark fiber network. Twitter will partner with the City to access the fiber -- which is a benefit to Twitter and potentially other co-tenants -- but, more importantly, Twitter can help meet the first goal by providing rooftop access to the City's Department of Technology to help augment the effort to provide wireless in the Tenderloin. Twitter employees will also have the opportunity to volunteer in work days with the Department of Technology as they place wireless service in the Tenderloin.~~

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{In Archive} Re: CMPTE 

Todd Rufo to: Amy B Cohen

01/13/2011 10:20 PM

Cc: Jennifer Entine Matz, Kelly Pretzer

Archive: This message is being viewed in an archive.

I think this is good, Jen said no additional work needed on outreach just for this. She just wants a list of who so far and their thoughts so this is great.

Amy B Cohen

----- Original Message -----

From: Amy B Cohen

Sent: 01/13/2011 09:17 PM PST

To: Todd Rufo

Cc: Jennifer Matz; Kelly Pretzer

Subject: Re: CMPTE

Like I said, I really haven't vetted the details with anyone. As per Jennifer's instructions, I have been "dribbling" it out.

So far, the people I have talked to include:

Burning Man - they like it and can benefit if they go into Warfield; we added block for them

Randy Shaw - we are crediting him with coming up with the idea. He told me he talked to a bunch of people, including supervisors, and got luke warm reception. Paul Hogarth, who works for Randy, also knows from a small meeting I had. We had told him, at the time, it was for net new only. He was comfortable with that and less so with a broader impact. I haven't told Randy that the concept is for every job, but I think he will probably be ok.

Don Falk/Diep Do from TNDC - told them but didn't get specific feedback one way or the other

Dina Hilliard/Tenderloin CBD - likely support

Elvin Padilla/Tenderloin Economic Development Project - certain support

Mid Market Project Area Committee - there were probably 40 people there last night and I told them about it. I got very few questions and no feedback one way or the other. That's probably good. PAC includes some of the people above, reps from a number of arts groups, architects, developers, property owners, etc. A few loud neighborhood activists who didn't raise the issue. . .

That's about it.

I am sure we can get a lot of support from my big Central Market stakeholders list, which includes a lot of the above. Restaurants like Show Dogs and Pearl's Burgers will be all for it. We have the ability to do merchant outreach with Ellyn and the CBD. I am guessing Ace Hotel will like the idea. Lots of the arts groups looking at the area are nonprofits and won't benefit themselves but will go to bat I am sure. And the ACT project will have probably 25,000 retail which could benefit.

I am around tomorrow between 12-2 if you want to discuss more.

amy

Amy B. Cohen

Director, Neighborhood Business Development
Mayor's Office of Economic and Workforce Development
415-554-6649
amy.b.cohen@sfgov.org

Todd Rufo

Jen's going to send to Jane info by COB tomorrow...

01/13/2011 07:13:45 PM

From: Todd Rufo/MAYOR/SFGOV
To: Amy B Cohen/MAYOR/SFGOV@SFGOV, Kelly Pretzer/MAYOR/SFGOV@SFGOV
Cc: Jennifer Entine Matz/MAYOR/SFGOV
Date: 01/13/2011 07:13 PM
Subject: CMPTE

Jen's going to send to Jane info by COB tomorrow ahead of a meeting between the two of them on Tuesday. The Ed Lee memo will be the base of what Jen hands to Jane but we need to add a few things.

Amy -Can you put together a list of folks you talked to and what they think of the idea.

Kelly -The cost number is critical. We're going to need the cost number by tomorrow afternoon. If you feel like they're not going to meet this deadline or aren't able to get us what's needed please email us so we can escalate.

Im going to work on economic impact. Amy I'll call you to discuss.

So Jen can review can we have this together by early afternoon for Jen to take a look at. This is changing in real time so can we keep all 4 of us ccd on related emails. thx

[attachment "011311 MEL Twitter status memo.doc" deleted by Amy B Cohen/MAYOR/SFGOV]

Todd Rufo
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MEMORANDUM

TO: Mayor Lee
FROM: Jennifer Matz
DATE: January 13, 2011
RE: **Twitter HQ Retention Efforts**

Mr. Mayor:

Twitter is in the advanced stages of selecting a location for a new headquarters of approximately 150,000 sq/ft with options that could go up to 500,000 sq/ft in future years. Twitter expects to reach 750 employees by July 2011, and estimates having potentially 1,500 employees in July 2012 and surpassing 3,000 in 2013. Twitter is considering 2 buildings in San Francisco and 2 buildings south of San Francisco. The leading contenders appear to be SF Mart (Civic Center) and Centennial Tower (Jack Myers Building in South City). Twitter will be making a decision soon.

The driving factors for the decision appear to be:

1. Timeframe: Twitter wants to occupy by Aug of 2011 which is very ambitious. The leading buildings are the ones that can deliver by this date. **Permitting will be critical.**
2. Cost (real estate and city taxes): The real estate cost between SF and SSF locations appears to be comparable. However, when added to San Francisco's 1.5% payroll tax, the cost differential becomes pronounced.
3. Business Factors (Workforce, Transit, Flagship Location, etc): We can continue to emphasize the competitive advantages of a SF urban campus with great talent, the best transit and a leading tech cluster.

Background

- OEWD staff have been actively engaged with Twitter since February of 2009. Mayor Newsom visited their offices a number of times, and CCSF has worked with Twitter on a Twitter / 311 integration program.
- On October 14, 2010, Mayor Newsom met with Mr. Ali Rowghani, CFO of Twitter, to discuss their location decision. Mr. Rowghani disclosed that the SF Mart was the leading San Francisco location, and emphasized four primary points of concern with the space: public safety, transportation, neighborhood amenities and San Francisco's payroll tax.
- On October 29, 2010, Chief of Staff Steve Kawa, Assistant Deputy Chief Jeff Godown and OEWD Director Jennifer Matz met with Mr. Rowghani and his staff. Jennifer Matz gave a detailed presentation, addressing each of Twitter's four areas of concern (presentation is attached).


- **Public Safety:** The San Francisco Police Department (SFPD) will extend its Mid-Market foot patrol boundary, which currently runs along Market Street between 4th Street and 9th Street, to include Market St. between 9th St. and 10th St. This foot patrol provides 18 hours of coverage per day. In addition, the SFPD is in the process of establishing a police sub-station at the intersection of 6th Street and Market Street, which will provide additional increased service and patrol officer presence in the area.
- **Transportation:** To better service the SF Mart and as part of the 2011 service restoration plan, the SFMTA is creating a 47A service line. The 47A will provide non-stop, express service between the Caltrain station at 4th Street and King St and the Civic Center BART Station at 9th Street and Market Street. The 47A will operate during peak morning and evening commute hours and will be timed to Caltrain's arrival and departure schedule.
- **Neighborhood Revitalization:** In January 2010, Mayor Gavin Newsom announced the Central Market Partnership – a public/private initiative to revitalize the Central Market Street neighborhood with a focus on cultivating an eclectic, community-serving arts district. A goal of this initiative is to restore Central Market as the City's downtown arts district (which already includes key venues such as the Golden Gate, Orpheum, and Warfield Theaters, the EXIT Theatre, and several galleries) while attracting in new retail, restaurants, services and employers eager to take advantage of the neighborhood's central location and transit access. Tools at the disposal of the Central Market Partnership include an \$11.5 million loan fund targeted to small businesses in the area, the Better Market Street initiative, technical assistance and grant funding for arts groups looking to relocate to Central market and an NEA grant to undertake visible arts-oriented activities.

In 2010, the Central Market Partnership has helped generate real momentum toward the transformation of the neighborhood: CityPlace, a 250,000 square foot retail project was approved for development; a handful of new restaurants and cafes have moved into the area; eclectic arts programming has enlivened the street.

- **Central Market Payroll Tax Exclusion:** The proposed Central Market Area Payroll Expense Tax Exclusion (CMPTE) would allow businesses operating in a designated area of Central Market to be excluded from the City's payroll expense tax. The CMPTE would offer qualifying businesses a payroll tax exclusion on qualified employees for up to five (5) years. The Central Market area is defined as parcels fronting Market Street between 6th Street and 10th Street, as well as parcels on the north side of Market Street between Mason Street and 6th Street, as well as the buildings at 1 Taylor Street and 1 Jones Street. The exclusion would apply to employees who perform at least 90% of work time within the boundaries of the Central Market area.

The process for obtaining the exclusion is straightforward. The first year that a business intends to utilize the exclusion, that business must submit an initial application to the Office of Economic and Workforce Development (OEWD). This application allows OEWD to verify that a business meets all of the eligibility criteria for the exclusion. Each year after the initial application has been filed, the business would submit an affidavit with OEWD affirming that they continue to meet the eligibility criteria. The business would still be required to annually file a Payroll Expense Tax Return with the Tax Collector. Businesses would also be expected to maintain documentation that tracks employees whose compensation qualifies for the exclusion.

- In January 2011, Twitter reengaged with OEWD and had renewed interest in the SF Mart. The immediate next steps are to schedule a phone call between you and Twitter's CEO, Dick Costolo. In the next two weeks, OEWD intends to introduce legislation enabling the Central Market Payroll Tax Exclusion. And OEWD will remain in constant communication with Twitter staff to monitor the decision-making process.

{In Archive} Re: CMPTE Memo 

Todd Rufo to: Kelly Pretzer

01/07/2011 05:41 PM

Archive: This message is being viewed in an archive.

Thanks for this!
Kelly Pretzer

----- Original Message -----

From: Kelly Pretzer
Sent: 01/07/2011 03:33 PM PST
To: Todd Rufo
Cc: Amy Cohen
Subject: Re: CMPTE Memo

Attached is my brief summary of the proposal and how it works. I started drafting it with Jane Kim in mind as the audience, but rereading it it seems to be appropriate for either her or the Twitter board. I've also attached the most recent version of the legislation. Stephanie has been directed to begin drafting the legislative digest. Finally, I've confirmed with TTX that they cannot parse the \$2.4 million estimate down any further, short of surveying all of the businesses on Market St.

[attachment "CMPTE memo.doc" deleted by Todd Rufo/MAYOR/SFGOV]
[attachment "Central Market Area Payroll Expense Tax Exclusion 1-7-11 net language.doc" deleted by Todd Rufo/MAYOR/SFGOV]

Kelly Pretzer : Office of Economic and Workforce Development

www.oewd.org

O: (415) 554-6045

T: <http://www.twitter.com/kellypretzer>

Todd Rufo

Amy - So I talked to Jen more about the memo. ...

01/07/2011 11:59:14 AM

From: Todd Rufo/MAYOR/SFGOV
To: Amy B Cohen/MAYOR/SFGOV@SFGOV, Kelly Pretzer/MAYOR/SFGOV@SFGOV
Date: 01/07/2011 11:59 AM
Subject: CMPTE Memo

Amy - So I talked to Jen more about the memo. She's thinking something by Tues from her to Twitter Board on the CMPTE .

1. Policy Case for CMPTE: the need, context, part of broader plan, etc. can be short, maybe 2 paragraphs. Amy, can you take this piece?

2. Description of CMPTE Proposal: Summary of the proposal, how it works, etc. if we have a map include that. Kelly, can you take this one?

Can you send me COB Mon?

Kelly - What's left to be done on the legislation? Also, where did we leave the cost estimate with TTX?

Todd Rufo

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{In Archive} Community Engage
Todd Rufo to: Jennifer Entine Matz

02/04/2011 05:42 PM

Archive: This message is being viewed in an archive.



Twitter Community Engagement Plan - FINAL.doc

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**Twitter Community Engagement Plan
February 4, 2011**

Twitter is enthusiastic about the range of opportunities they can pursue to make a substantial impact on the neighborhood and the City. The following are components Twitter has agreed to, in concept, that will enable the company's meaningful community engagement. The Office of Economic and Workforce Development (OEWD) is committed to working out the details of the various programs in conjunction with Twitter and community stakeholders.

Twitter will create an internal infrastructure for community engagement by doing the following:

- Designating a **community development liaison** for the company. This person will assist with the development and implementation of initiatives outlined in this plan and will be the company's point person for OEWD.
- Coordinating an **employee volunteer program** aimed at connecting employees with Central Market revitalization efforts and other initiatives, including those described below. Potential volunteer activities might include anything from volunteering for community arts events, developing a web site or web content to promote a project, assisting with a wireless network development in the Tenderloin, to mentoring an area small business owner in using technology to market a business.

In addition, below are the specific initiatives Twitter is interested in partnering with the City to roll out.

1. Central Market Partnership Activities

The City and many stakeholders have joined together to revitalize the Central Market neighborhood. This is being done through retail and arts group attraction, marketing and promotional events, arts activities, and the future redesign of the streetscape, among other things. Twitter is excited to play a key role in these efforts. Some of the ways Twitter plans to engage include:

- Twitter will be creating a **high-profile interactive storefront destination** on Central Market. Through a combination of retail windows, signage and sidewalk projects, Twitter will enliven Market Street by creating a unique, engaging installation inspired by how Twitter interacts with the world. They envision this becoming a visitor destination as well as an obvious improvement to the public realm on what is now a fairly desolate block.
- Twitter will establish, develop, and/or provide marketing support for additional **ways to use technology** to promote the area – i.e. web site, blogs, applications, etc.

- As charitable giving dollars become available, Twitter will consider **sponsorship of Central Market efforts** such as the UN Plaza Arts Market, Central Market Arts Festival, and a variety of other short- and long-term projects that will promote the area and develop it as an eclectic arts district.

2. Community Business Development Program

Companies like Twitter provide invaluable opportunities for emerging small businesses through **contracting**. Twitter currently contracts with a caterer for daily meals for its employees. OEWD will assist Twitter in identifying a broader range of businesses with which it can subcontract for food and other services, with an emphasis on a) opportunities for emerging entrepreneurs, i.e. through City-funded business development programs like La Cocina; and b) making an effort to contract with Tenderloin and SOMA businesses.

Twitter could also partner with the City and area business development organizations to provide assistance to its contractors and other area businesses around using technology to promote and market their businesses. This might happen through **workshops** or even **mentoring**.

3. Neighborhood Amenities Program

Central Market has a growing number of retail and service establishments in need of patronage. In addition to contracting directly with some of these, Twitter will encourage individual employees to **patronize stores, restaurants and services** in the area. These might include coffee shops, restaurants, gyms, pilates studios, boutiques, etc. OEWD will assist with the development of marketing materials aimed at Twitter employees. It could be as simple as a Twitter account that sends occasional promotions to employees (and others; see Technology tools below). To incentivize, Twitter could develop "frequent flyer" type of coupon card for employees.

4. Workforce Development Pilot Program

There is a citywide need for local jobs for people with less than a four-year college degree, and a particular need among residents of the Tenderloin and SOMA for this type of job. Twitter will work with the City to develop a mutually agreeable program to train this population and prepare them for future jobs in the social media and technology sectors.

5. San Francisco Unified School District Partnership

Twitter would like to partner with the school district, and potentially area schools, to help meet needs that Twitter is uniquely equipped to meet. One project would involve mentoring principals and teachers as they integrate technology into schools and classrooms. This relationship could also include helping schools learn to use Twitter to communicate with parents.

Comment [TR1]: Ali is reviewing this revised language